



RISK MANAGEMENT DEPARTMENT

Fort Bend County, Texas

Wyatt O. Scott
Director

Phone: 281-341-8630
Fax: 281-341-3751

September 09, 2010

Commissioners' Court
Fort Bend County
301 Jackson Street
Richmond, TX 77469

Re: Renewal of the Fort Bend County Insurance Program and Policies

Dear Honorable Court Members:

Attached you will find a summary of the renewal of the existing Fort Bend County insurance program. Renewed is the primary property and casualty coverage mostly provided by the Lloyd's of London Public Entity program, with the remainder of the coverage lines provided by other insurance carriers. In addition to the primary layer coverage, existing over-riding excess coverage has also been renewed.

Please note that although our exposures have significantly increased as demonstrated in the Exposure Premium Comparison sheet, we did receive an overall premium decrease of 2.561% as a result of a number of rate decreases. Expiring premium is \$1,598,842 and the renewal premium is \$1,557,891.

In addition to the insurance renewals, we have also extended our agreement with Argus Services Corporation (Argus) for medical cost containment services associated with the County's workers' compensation program for the 10/108-9/30/09 fiscal year. Argus has offered a flat renewal with no rate increase. The property and casualty claims administration rate is also offered by NovaPro Risk Solutions as a flat renewal with no rate increase.

Given the County's growth and increased exposures, this is a good renewal proposal recommended by Risk Management. If you should have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to be "Wyatt Scott", is written over a horizontal line.

Wyatt Scott
Director of Risk Management

Fort Bend County

Exposure/Premium Comparison

10/1/2010 Renewal Compared to 10/1/2009 Expiring
including London Brit Package Excess Limit

LONDON BRIT PACKAGE - Limit: \$4,900,000 x/s \$100,000 Self Insured Retention (SIR) EXCEPT \$900,000 Property x/s \$100,000/Mobile Equip x/s \$25,000/Auto Phy Dmg x/s \$10,000 SIR' and \$990,000 Crime x/s \$10,000 EXCEPT \$250,000 WC x/s \$250,000 SIR									
Basis of Exposure	2009 Expiring		Premium at 2010 Exposure at 2009 Rates		Proposed 2010 Renewal Premiums				
	Exposure	% Increase /Decrease	Premium	% Increase /Decrease 09 versus 10	Exposure	% Increase /Decrease 09 versus 2010	Premium	% Premium Increase /Decrease 2010 over 09	
Net Operating Expense	\$ 237,378,737				\$ 245,398,140				
Payroll	\$ 96,901,582		\$ 2,100,000	3.38%	\$ 97,976,797		\$ 2,100,000		
# Employees	\$ 2,300		\$ 799,500.00	1.11%	\$ 2,006		\$ 826,510.00		
Police - armed	\$ 816		\$ 38,775.75	-12.78%	\$ 701		\$ 40,085.74		
Population	\$ 548,392		\$ 479.70	-14.09%	\$ 578,730		\$ 485.91		
# Vehicles	\$ 788		\$ 838,755.45	5.53%	\$ 404,652,092		\$ 867,091.64		
TIV	\$ 394,360,861			53.81%					
Average % Increase/Decrease	Net Operating Expense			2.61%					
				3.38%					
Aggregate Loss Fund			\$ 2,100,000				\$ 1,800,000		-14.286%
Premium			\$ 799,500.00				\$ 799,000.00		
Surplus Lines Tax			\$ 38,775.75				\$ 38,751.50		
Stamping Ofc Fee			\$ 479.70				\$ 479.40		
Total Premium			\$ 838,755.45				\$ 838,230.90		-0.063%
EXCESS WORKERS' COMPENSATION - Midwest Employers Casualty Company Limit: Statutory x/s \$500,000 Self Insured Retention									
Payroll	\$ 96,901,582	0.089	\$ 87,198	0.089	\$ 97,976,798	0.0845	\$ 82,790		-4.003%
EXCESS PROPERTY - Lexington Insurance Limit: \$250,000,000, x/s \$1,000,000 Except \$50,000,000 Named Windstorm x/s \$1,000,000/\$5,000,000, and Except \$50,000,000 Boiler & Machinery x/s \$5,000 and Including Terrorism.									
TIV	\$ 394,360,861	0.1556	\$ 613,500.00	0.1556	\$ 404,652,092	0.1450	\$ 586,745.00		-4.361%
Surplus Lines Tax			\$ 29,754.75				\$ 28,457.13		
Stamping Ofc Fee			\$ 368.10				\$ 352.05		
Total			\$ 643,622.85				\$ 615,554.18		-4.361%
MEDICAL PROFESSIONAL LIABILITY - Admiral Insurance Limit: \$1,000,000/\$3,000,000 x/s \$5,000 Deductible									
# OF OPV'S	14,000	1.025	\$ 14,350.00	1.025	\$ 9,000	1.355	\$ 12,193.00		-15.017%
Policy Fee			\$ 500.00				\$ 500.00		
Surplus Lines Tax			\$ 720.23				\$ 615.71		
Stamping Ofc Fee			\$ 8.91				\$ 7.62		
Total			\$ 15,579.14				\$ 13,316.33		-14.512%
POLLUTION LIABILITY - Indian Harbor Insurance Limit: \$1,000,000/\$2,000,000 x/s \$25,000 Deductible									
UST/AST	13	1.074	\$ 13,957.00	1.074	\$ 9	847	\$ 7,623.00		-45.382%
Surplus Lines Tax			\$ 676.91				\$ 369.72		
Stamping Ofc Fee			\$ 8.37				\$ 4.57		
Total			\$ 14,642.28				\$ 7,997.29		-45.382%
TOTAL PREMIUMS									
Total Premium			\$ 1,598,842				\$ 1,557,891		-2.561%

IMPORTANT NOTE: See proposal for Options being offered.



September 08, 2010

Wyatt Scott
FORT BEND COUNTY
Rosenberg Annex
4520 Reading Road, Suite # A
Rosenberg, Texas 77471

**RE: RFP # 04-048-
WORKER'S COMPENSATION & ADDITIONAL LINES OF COVERAGE FOR FORT BEND COUNTY/ RENEWAL
OFFER**

Dear Mr. Scott,

Argus Services Corporation would like to offer to extend JOB # 04-048 for an additional year beginning October 1, 2010 and ending September 30, 2011. This offer includes keeping our pricing the same as last year and adhering to all existing terms and conditions as outlined in the original contract.

We would welcome the opportunity to work together with you and your staff for another year.

Best Regards,

Roger B. Williams



September 8, 2010

Wyatt Scott
Director of Risk Management
Fort Bend County
301 Jackson Street
Richmond, TX 77469

RE: 2010-2011 RENEWAL PROPOSAL FOR FORT BEND COUNTY

Dear Mr. Scott:

Thank you for the opportunity to offer the following fee proposal to renew our Third Party Administration program for Fort Bend County. With the exception of adding a line for Physical Damage Record Only reporting at \$25, the following proposal for 10/1/2010-9/30/2011 offers no change in pricing as our renewal proposal in 2009 extended for a two year period through 9/30/2011.

LIFE OF CONTRACT FEES

Workers' Compensation

Medical Only	\$150
Indemnity	950
Record Only	40

Auto Liability & General Liability


Property Damage	\$300
Bodily Injury	500
Professional	800
Products	600
Record Only	40
Physical Damage Record Only	25

Property

Losses under \$10,000	\$375
Losses \$10,001-\$25,000	750
Losses over \$25,000	T&E

Annual Administrative Fee \$3,000

Pricing includes: State regulatory and CMS reporting.



Pricing does not include: Allocated Loss Adjustment Expenses (ALAE), Bill Review and Medical Cost Containment, Handling of potential bad faith and coverage disputes. The Client shall pay NovaPro for time and expense on file handling related to bad faith and coverage disputes. It is understood that NovaPro activities are limited to assisting Client in the defense of these disputes.

This proposal is effective for the renewal period beginning 10/01/10 through 9/30/2011.

Thank you for the opportunity to service your claims.

Sincerely yours,

NOVAPRO RISK SOLUTIONS



Helana Barmore
Branch Manager